

## Message Text

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PAGE 01 VALLET 00576 201541Z  
ACTION EUR-12

INFO OCT-01 ISO-00 EB-07 AID-05 /025 W  
-----210423Z 104297 /21  
R 201521Z MAY 77  
FM AMEMBASSY VALLETTA  
TO SECSTATE WASHDC 7397

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E.O. 11652: N/A  
TAGS: EINV, MT  
SUBJECT: GOM SEARCH FOR US CONSULTANTS ON INDUSTRIAL  
DEVELOPMENT

REF: STATE 86016,

1. THOMAS WACHTER, STANFORD RESEARCH INSTITUTE  
REPRESENTATIVE IN UK, VISITED MALTA MAY 11-13 FOR  
DISCUSSIONS WITH GOM OFFICIALS REGARDING INDUSTRIAL  
DEVELOPMENT PROGRAM. WACHTER, WHO KEPT IN CLOSE CONTACT  
WITH THE EMBASSY THROUGHOUT, REPORTED THAT NO AGREEMENT  
BETWEEN SRI AND GOM WAS REACHED AND DOUBTS THAT ONE  
IS LIKELY.

2. WACHTER STATED THAT HE PROPOSED A THREE-PART PACKAGE  
TO THE GOM. THE FIRST, AT A COST OF US DOLS 80-90,000,  
ENVISIONED A COMPREHENSIVE STUDY OF WHAT TYPES OF  
INDUSTRIES WOULD BE BEST SUITED IN MALTA; THE SECOND,  
AT A COST OF US DOLS 10-15,000, INVOLVED THE IDENTIFICATION OF  
U.S. FIRMS IN THOSE INDUSTRIES DETERMINED MOST SUITABLE  
FOR MALTA; THE THIRD PART, AT A COST NOT DETERMINED,  
INCLUDED ACTIVE PROMOTIONAL WORK BY SRI, IN HARNESS  
WITH MALTESE OFFICIALS, TO ATTRACT DESIGNATED U.S. FIRMS  
TO MALTA.

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3. THE GOM COUNTERED WACHTER'S PROPOSAL BY ASKING SRI  
TO UNDERTAKE ONLY THE THIRD STAGE, WITH A MONTHLY FEE  
CONTINGENT UPON RESULTS.

4. ACCORDING TO WACHTER, EACH PART OF THE SRI PACKAGE  
IS CONTINGENT UPON COMPLETION OF THE PRECEDING PART;  
SRI IS NOT RPT NOT INTERESTED IN DOING ONLY THE THIRD

PART, AND CERTAINLY NOT ON THE BASIS OF A CONTINGENCY FEE.

5. COMMENT: ALTHOUGH WACHTER PROMISED GOM OFFICIALS HE WOULD PUT THEIR IDEAS TO HIS HEADQUARTERS, NO CONTRACTUAL ARRANGEMENT SEEMS LIKELY TO EMERGE IN THE FORESEEABLE FUTURE. END COMMENT.

6. FOLLOWING WACHTER'S VISIT, FOREIGN SECRETARY MAURICE ABELA, IN MEETING WITH THE AMBASSADOR, SAID GOM FEELS THEIR COUNTERPROPOSAL (PARA 3) WAS BOTH FEASIBLE AND PRACTICAL, WITH PROMOTIONAL EFFORTS BASED ON EARLIER SRI STUDY WHICH GOM FEELS IS STILL BASICALLY SOUND. ABELLA ALSO RECALLED, HOWEVER, THAT EMBASSY HAD ONCE SUGGESTED TO GOM THAT CERTAIN US BANKS MIGHT BE EQUIPPED TO UNDERTAKE KIND OF APPROACH MALTESE HAD IN MIND. HE ASKED IN THAT CONNECTION WHETHER ROBERT ELLSWORTH HAD RETURNED TO PREVIOUS POSITION WITH LAZARD FRERES AND COMPANY AND WHETHER THAT INSTITUTION MIGHT BE HELPFUL, WITH ELLSWORTH'S ENCOURAGEMENT.

7. ACTION REQUESTED: EMBASSY WOULD APPRECIATE ADDRESS AND TELEPHONE NUMBER WHERE ELLSWORTH CAN BE REACHED. IT WOULD ALSO BE OF INTEREST TO KNOW ELLSWORTH'S REACTION TO ABELA'S SUGGESTION. LAINGEN

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INDUSTRY, VISITS, MEETINGS, DEVELOPMENT PROGRAMS, FOREIGN INVESTMENTS, INVESTMENT OPPORTUNITIES, MEETING REPORTS  
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